

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

400Q0091

SENATE BILL NO. 24

Introduced by: The Committee on Commerce at the request of the Department of Revenue
and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the retention of
2 insurance claim files.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-3-7.4 be amended to read as follows:

5 58-3-7.4. Each insurer's claim files for policies or certificates are subject to examination
6 pursuant to chapter 58-3 by the director of insurance. To aid in ~~such~~ the examination:

7 (1) The insurer shall maintain claim data that is accessible and retrievable for
8 examination. An insurer shall be able to provide the claim number, line of coverage,
9 date of loss, and date of payment of the claim, date of denial, or date closed without
10 payment. This claim data shall be available for all open and closed files for ~~the~~
11 ~~current year and the two preceding~~ five years;

12 (2) Detailed documentation shall be contained in each claim file in order to permit
13 reconstruction of the insurer's activities relative to each claim;

14 (3) Each relevant document within the claim file shall be noted as to date received, date
15 processed, or date mailed. Dated correspondence is sufficient to document the date



1 mailed for the purposes of this subdivision;

2 (4) For those insurers that do not maintain hard copy files, claim files shall be accessible
3 from a computer, microfilm, Cathode Ray Tube (CRT), micrographics, or other
4 similar electronic means and be capable of duplication to hard copy; and

5 (5) Claim information obtained in a telephone conversation or personal interview with
6 any source which is used in the claim determination shall be documented in the claim
7 file.